

CHAPTER NO. 82

SENATE BILL NO. 1936

By Crutchfield, McLeary

Substituted for: House Bill No. 2008

By McMillan, Ulysses Jones

AN ACT to amend Tennessee Code Annotated, Section 12-4-201, regarding the issuance of securities by certain financial institutions.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 12-4-201, is amended by deleting subdivisions (b)(3) and (b)(4) in their entirety and by substituting instead the following:

(3) Certificates of deposit or evidence of other deposits irrevocably pledged from:

(i) A state or national bank having its principal office in Tennessee, or

(ii) A state or federal savings and loan association having its principal office in Tennessee, or

(iii) Any state or national bank, that has its principal office located outside this state and that maintains one (1) or more branches in this state which are authorized to accept federally insured deposits, or

(iv) Any state or federal savings and loan association that has its principal office located outside this state and that maintains one (1) or more branches in this state which are authorized to accept federally insured deposits.

(4) A letter of credit from a state or national bank or state or federal savings and loan association having its principal office in Tennessee; or any state or national bank or state or federal savings and loan association that has its principal office outside this state and that maintains one (1) or more branches in this state which are authorized to accept federally insured deposits. The terms and conditions of any letter of credit shall be subject to the approval of the public official named in the contract. The form of such letter of credit shall be provided by the bank or savings and loan association and may be based on either the Uniform Commercial Code, Tennessee Code Annotated, Title 47, Chapter 5, or the ICC Uniform Customs and Practice for Documentary Credits (UCP 500). All letters of credit shall be accompanied by an authorization of the contractor to deliver retained funds to the bank issuing the letter; or

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.

PASSED: April 17, 2003


JOHN S. WILDER
SPEAKER OF THE SENATE


JIMMY NAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 5th day of May 2003


PHIL BREDEBEN, GOVERNOR